

REBIRTH | REMEMBRANCE | RENEWAL

BANKING/ FINANCIAL OUTLOOK

FACT: Financial Institutions throughout Louisiana are financially sound and extremely well-managed.

- Despite dire predictions of failures and serious financial problems, a vast majority of the financial institutions located in the affected parishes are extremely sound and operating at pre-Katrina levels according to the Louisiana Office of Financial Institutions (LOFI).
- In comparing various financial indicators as of June 30th, 2005, and March 31, 2006, for the financial institutions domiciled in affected parishes, LOFI reported the following growth rates: Assets increased more than 28%; Deposits increased approximately 26%

FACT: Financial institutions located in the affected areas have enormous lending capacity and will continue to play a major role in the area's recovery efforts.

- One new bank has opened in NOs since Hurricane Katrina and raised approximately \$61mil in capital. This is approximately 2.5 X the highest amount raised previously by a de novo group in the state and indicates the confidence and commitment of local investors to the area's recovery efforts.
- The number of mortgage lenders/brokers in LA continues to increase: 725 in 2004, 811 in 2005, and 851 as of this date.

FACT: Fitch Ratings upgraded Louisiana's Rating Outlook this month.

- New York-based Fitch Ratings upgraded Louisiana's Rating Outlook on general obligation bonds to "stable" from "negative," and affirmed the state's "A" rating on \$2.4 billion in existing Gulf Opportunity Zone bonds.
- This upgrade demonstrates to investors that Louisiana continues to practice responsible fiscal management and the state's financial position is strong.
- The Rating Outlook indicates the direction Louisiana's rating is likely to move over a one- to two- year period. For more information on Fitch's rating definitions, visit the agency's public site, www.fitchratings.com.

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